

**RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION
MEETING OF DIRECTORS
PUBLIC SESSION
DECEMBER 16, 2013**

The Board of Directors of the Rhode Island Economic Development Corporation (the “Corporation”) met on Monday, December 16, 2013, in Public Session, beginning at 5:00 p.m. at the offices of the Rhode Island Economic Development Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the notice of meeting to all Directors, and the public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by the By-Laws of the Corporation and applicable to Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Lincoln D. Chafee, Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Ms. Judith Diaz, Ms. Maeve Donohue, Dr. Nancy Carriuolo, Mr. Jason Kelly, Mr. Karl Wadensten, Mr. Tim Hebert, Mr. Stanley Weiss, Ms. Elizabeth Francis, and Mr. George Nee.

Directors absent were: None

Also present were: Marcel Valois and Thomas Carlotto.

1. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:01 p.m. indicating that a quorum was present.

2. APPROVAL OF THE EXECUTIVE SESSION MINUTES FOR THE MEETING HELD ON OCTOBER 28, 2013

Upon motion duly made by Mr. Adams and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: That, pursuant to Rhode Island General Laws Section 42-46-5(a)(2) or (4) to enter into Executive Session to consider the approval of the Executive Session minutes for the meeting held on October 28, 2013.

Voting in favor of the foregoing were Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Ms. Judith Diaz, Ms. Maeve Donohue, Dr. Nancy Carriuolo, Mr. Jason Kelly, Mr. Karl Wadensten, Mr. Tim Hebert, Mr. Stanley Weiss, Ms. Elizabeth Francis, and Mr. George Nee.

Voting against the foregoing were: None.

Members of the board, counsel and staff entered into closed session at 5:02 P.M.

The public session reconvened at 5:03.

Mr. Carlotto stated that during the Executive Session there was a unanimous vote of the Board taken to approve the Executive Session minutes for the meeting held on October 28, 2013.

Upon motion duly made by Mr. Nee and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: That, the minutes of the Executive Session shall not be made available to the public, except as to the portions of such minutes as the Board of Directors ratifies and reports in public session of this meeting.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Ms. Judith Diaz, Ms. Maeve Donohue, Dr. Nancy Carriuolo, Mr. Jason Kelly, Mr. Karl Wadensten, Mr. Tim Hebert, Mr. Stanley Weiss, Ms. Elizabeth Francis, and Mr. George Nee.

Voting against the foregoing were: None.

3. APPROVAL OF THE PUBLIC SESSION MINUTES OF THE MEETINGS HELD ON NOVEMBER 18, 2013 AND NOVEMBER 21, 2013

Upon motion duly made by Ms. Brawley and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve the Public Session Minutes of the meetings of November 18, 2013 and November 21, 2013, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Ms. Judith Diaz, Ms. Maeve Donohue, Dr. Nancy Carriuolo, Mr. Jason Kelly, Mr. Karl Wadensten, Mr. Tim Hebert, Mr. Stanley Weiss, Ms. Elizabeth Francis, and Mr. George Nee.

Voting against the foregoing were: None.

4. EXECUTIVE DIRECTOR'S REPORT

Governor Chafee introduced Executive Director Marcel Valois to discuss the Executive Director's Report. See Exhibit B. Mr. Valois stated that a detailed report was available in the Board Member's packages for review and that he would give a brief overview of the highlights contained therein. Mr. Valois called the Board's attention to a power point presentation outlining the collaboration between the Corporation, the Economic Development Foundation ("EDF"), and the Greater Providence Chamber of Commerce (the "Chamber") on the re-branding of Rhode Island from a business-to-business perspective. Mr. Valois continued that the initiative includes the launching of the new interactive economic development website: www.GreaterRI.com, which highlights why Rhode Island is the ideal choice for businesses looking to relocate or start-up in Rhode Island.

Mr. Valois continued that the new website provides all the critical information and data site locators look for when they begin their investigation on where to locate a business or make an investment. Mr. Valois then acknowledged Janet Raymond, Senior Vice-President of the Chamber, for her outstanding work as the project manager for this initiative.

Mr. Wadensten inquired as to who would have access to the analytics from the website. Mr. Valois responded by stating that as a partner in the initiative, the Corporation would have access to the site analytics, which would be used to assess not only the number of visitors to the GreaterRI.com website, but also what content visitors were accessing.

Mr. Valois next reported on the status of the RhodeMap RI workshops, stating that the third series of workshops, focusing on issues in the areas of food, quality of water, marine environment, business ecosystem, and manufacturing and design, had completed. He indicated that the workshops have been well attended, with over 160 people from the private and public sectors participating to date. Mr. Valois continued that the last round of workshops are slated for January 2014. Thereafter, the information and data obtained from the workshops will be compiled into a report and presented on January 23, 2013. Mr. Valois invited all Board Members to attend the January 23, 2013 presentation.

Mr. Valois then called on Board Members to comment on the workshops they had attended. In response, Ms. Donohue stated that she recently attended workshops by the State of Rhode Island Division of Planning and the Rhode Island Foundation. Ms. Donohue stated that she felt the workshops were very successful and provided the participants with a forum to be heard with respect to the Statewide Plan. Ms. Donohue specifically noted the positive exchange of ideas between participants and stated that they came away with a number of action items.

Ms. Francis next reported on the Manufacturing and the Business Ecosystem workshops, reiterating Ms. Donohue's comments that the workshops provided a great deal of positive feedback and helpful ideas from the participants. Ms. Francis took a moment to commend the work of Fourth Economy Consulting in facilitating the process and for bringing together such a diverse group of individuals in the workshops.

Ms. Brawley reported on the Marine and Water sector workshops. Ms. Brawley stated that these sectors brought together people from the manufacturing, education and banking industries, resulting in a unique cross-section of ideas and input from the participants. Ms. Brawley continued that she too was impressed with the work done by Fourth Economy Consulting throughout the process, in both the planning and design of the different sector workshops and facilitating the discussions between the many participants during the

workshops.

Mr. Wadensten reported on the Manufacturing sector and discussed two major challenges faced by this sector; specifically aging population and education of its workforce. Mr. Hebert commented that the lack of education and aging workforce were common challenges expressed by participants across all sector workshops. A discussion then followed by the Board Members on different ideas to bring the business communities, Department of Education, and local universities together to address these challenges. Dr. Carriuolo discussed the need for available internships for students entering the workforce and the ongoing collaboration between Rhode Island public and private universities that provides research data to the legislature on various economic policy issues.

Mr. Valois then concluded the discussion by commenting that the joint effort between the Corporation and the RI Foundation is scheduled to end in January 2014, but the Corporation will continue its work in this area thereafter.

Mr. Valois then commented that Mr. Hebert was the subject of a very complimentary front-page article in the December 16, 2013 edition of the Providence Journal.

**5. TO RECEIVE A PRESENTATION FROM THE RHODE ISLAND
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**

Governor Chafee introduced Janet Coit, Director of the Rhode Island Department of Environmental Management (“DEM”) and Mr. Wadensten to give a presentation regarding the DEM’s Lean Government Initiative (the “Lean Initiative”). See Exhibit C. After discussing the background regarding the introduction of the Lean Initiative to the DEM and the roles of the various parties involved therewith, Mr. Wadensten introduced Ms. Coit to give a presentation regarding the success of the Lean Initiative at DEM. She discussed the success of the Lean Initiative and the challenges faced by the DEM, including streamlining the regulatory and administrative processes, and providing quality customer service. Ms. Coit, then indicated that the DEM Lean Team would discuss their roles in the Lean Initiative.

Ms. Coit then introduced Andrew Mainka, the Lean Implementation Leader for DEM. Mr. Mainka provided the Board Members with an overview of the DEM program. He began by noting that the DEM is beginning by implementing the Lean Initiative into programs that have high customer interaction, such as Wetlands, Waste or Air Preconstruction Permitting. Mr. Mainka continued on and noted how Lean’s Mission Statement, “clear, predictable, and reliable,” affects its goals and planning process. A discussion regarding the implementation of the Lean Initiative from start to finish concluded Mr. Mainka’s discussion. Mr. Mainka then introduced Nicole Pollack, a member of the Lean Facilitation Team, to discuss the mapping

process. Ms. Pollack discussed how DEM and the Lean Team interact with the owner of a project, not the controller, to create a map that is appropriate for the customer's needs. Her dialogue continued with the specifics of the mapping process and a brief overview of two customers who have gone through the process. Ms. Pollack concluded her discussion by stating that it is her goal through the mapping process to serve customers by being customer facing and effective. Ms. Pollack then turned the floor over to Alisa Richardson, the Principal Engineer at DEM, who discussed two aspects of the Lean Initiative, specifically (i) standard work, and (ii) roles and responsibilities. She explained that these are both excellent ways to document and map certain processes within a business which streamline efficiency, accountability, and responsibility. To conclude the discussion on the Lean Initiative, Mr. Mainka discussed the future of permitting for DEM, through what will be called the Permitting Application Center. He detailed how the process will be changed from its current state with the goal of reducing the amount of time that customers wait to receive their permits.

The Governor then thanked all the participants for putting on a presentation for the Board Members and praised them for their efforts.

6. TO RECEIVE A PRESENTATION REGARDING THE RHODE ISLAND COMMERCE CORPORATION CHANGES EFFECTIVE AS OF JANUARY 1, 2014.

Governor Chafee introduced John Pagliarini to give a presentation regarding the Rhode Island Commerce Corporation changes effective January 1, 2014. See Exhibit D. Mr. Pagliarini began his presentation by discussing the rebranding of the Corporation; stating that as of January 1, 2014, the Corporation would be known as the Rhode Island Commerce Corporation. Mr. Pagliarini noted that this change is a positive one for the Corporation and one that will move the Corporation forward in its economic development efforts. He then summarized the new responsibilities of the Board in light of the changes, including the establishment of a new finance sub-committee to draft for Board approval a set of guidelines, principals, and processes for all loan guarantees and financing programs for the Corporation. Mr. Valois noted that many of these processes have already been put in place; that the new operating procedures are to a great extent just memorializing what has already been implemented. Mr. Hebert inquired if this was part of Access to Capital, or if that program would be phased out. In response, Mr. Valois stated that that the Corporation is required to adopt a new set of operating procedures.

Mr. Pagliarini then discussed the transparency requirements set by the legislature, calling the Board's attention to a PowerPoint that outlined the processes that have already been implemented and the processes that will be implemented as part of the new guidelines and operating procedures, to include accounting and reporting

procedures for internal accounting administrative controls and employment and employee procedures and policies.

Mr. Pagliarini next discussed the changes to the Corporation's website as part of the transparency requirements and the name change. As of January 1, 2014 the Corporation's web address will be www.commerceRI.com. Updates to the website include the addition of sections containing job descriptions for the Executive Director and senior management, the Corporation's mission statement, by-laws, minutes and agendas of the open board meetings and all subsidiary board meetings, the Corporation's quarterly financial statements and reports, and the operating budget. Mr. Pagliarini added that employee emails would change to reflect the new @commerceRI.com web address.

Mr. Pagliarini continued that as part of the Corporation's rebranding, they reached out to a Rhode Island School of Design graduate to help design a new logo. Mr. Pagliarini then unveiled the Corporation's new CommerceRI logo, which will be reflected on the Corporation's stationary, business cards, website, signs, and marketing materials. Mr. Nee asked where the funds would be coming from to pay for all the associated expenses. In response, Mr. Pagliarini stated that they had controlled the expenses by utilizing resources such as the Rhode Island School of Design's assistance in the design of the logo and keeping as much in-house as possible. Mr. Valois responded by stating that they had kept the costs at a bare minimum, but these

changes were required by the legislature.

Mr. Jerauld Adams inquired as to the legal issues associated with the name change. Mr. Pagliarini responded by stating that the Corporation, assisted by its legal counsel, is working closely with the General Assembly on proposed changes to the language of the statute to ensure that it reflects the true intent of the legislature.

Governor Chafee asked if the Board Members had any questions regarding the changes or comments on the new logo design. Members of the Board responded that they were very pleased with the design of the new logo, that the logo was fresh, original, and would be readily recognizable and memorable. The Board Members then thanked Mr. Pagliarini for his presentation and his on-going efforts in managing the change for the Corporation.

7. TO CONSIDER FOR APPROVAL THE 2014-2016 RULES AND REGULATIONS FOR THE RENEWABLE ENERGY DEVELOPMENT FUND PROGRAMS

Governor Chafee introduced Hannah Morini to give a presentation regarding the changes to the Rules and Regulations of the Renewable Energy Fund Programs (the “Fund”). See Exhibit E. Ms. Morini began her presentation by stating that Members of the Board had been provided with a draft of the changes to the Fund’s Rules and Regulations, but that she would offer a brief summary. Ms. Morini

noted that a public hearing on the proposed changes to the Rules and Regulations had been held on December 9, 2013 and was well attended. Ms. Morini then outlined the major changes to the Rules, namely the elimination of Rules 5.5 and 5.6 that required that projects be connected to the grid and that all recipients pay a system benefit charge. These two Rules unfairly eliminated only the citizens of the Town of New Shoreham from benefitting from the Fund. Ms. Morini added that they also removed the requirement that the Early Stage Commercialization Projects be managed in the same manner as other projects, with competitive bidding. Under the new Rules and Regulations, the Fund is able to choose how they manage this Program, based on what is beneficial to the Program. Ms. Morini added that the only addition to the Rules is the requirement that documentation is to be provided to the Fund no later than two months after an award letter goes out to an award recipient.

Ms. Morini asked if the Board Members had any questions regarding the changes to the Rules and Regulations. Mr. Wadensten asked if this was an internal review. Ms. Morini responded by stating the process was internal, but they had worked with the Office of Regulatory Reform on the drafting of the proposed changes to the Rules and Regulations.

Upon motion duly made by Dr. Carriuolo and seconded by Mr. Nee, the following vote was adopted:

VOTED: To approve the 2014-2016 Rules and Regulations for the Renewable Energy Development Fund Programs.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Ms. Judith Diaz, Ms. Maeve Donohue, Dr. Nancy Carriuolo, Mr. Jason Kelly, Mr. Karl Wadensten, Mr. Tim Hebert, Mr. Stanley Weiss, Ms. Elizabeth Francis, and Mr. George Nee.

Voting against the foregoing were: None.

8. TO RECEIVE A PRESENTATION REGARDING THE RENEWABLE ENERGY FUND EARLY STAGE COMMERCIALIZATION PROGRAM APPLICATION OF rTERRA PV SOLUTIONS, LLC IN THE AMOUNT OF \$300,000.00.

Governor Chafee called on Hannah Morini to give a presentation regarding the application of rTerra PV Solutions, LLC (“rTerra). See Exhibit F. Ms. Morini stated that rTerra submitted three applications during the third round of the Early Stage Commercialization process in August, 2013. After internal review of the applications by the Renewable Energy Fund Advisory Committee, two applications were recommended for further review by the New England Clean Energy Counsel Institute and received a positive recommendation from NECECI. Ms. Morini noted that the two applications total \$300,000.00 and would be presented to the Board for consideration in January. Ms. Morini then introduced Joseph Tomlinson and Dave Flemming of

rTerra for a presentation on the company. After thanking the Governor, Board Members, and Ms. Morini, Mr. Tomlinson began a detailed presentation on the products, services and upcoming projects of rTerra, with input and inquiries by Board Members and responses by Mr. Tomlinson and Mr. Flemming throughout the presentation.

Upon completion of the presentation, Ms. Morini stated that the applications had been submitted under the Early Stage Commercialization Fund; that the finance team would conduct a thorough review of the applications and of rTerra's financials and would present a recommendation to the Board at the January meeting. Mr. Nee asked what was the total amount available under the Early Stage Fund. Ms. Morini responded that the total amount of the Fund for 2013 was \$1,000,000.00 dollars, that to date they have awarded grants totaling \$283,000.00. Mr. Nee asked if the balance in the Fund carries over to the next year. Ms. Morini stated that any funds left in the Fund could carry over to the next year. Mr. Nee then asked if this was a recoverable grant. Ms. Morini responded yes, clarifying that rTerra would sign a loan agreement and promissory note, that there would be a success metric that everyone would agree on. Mr. Valois added that this would be part of the review and analysis process conducted by the Financial Services Department and would be included in the final recommendation. Mr. Weiss clarified his understanding that the funds would be given out in stages based on the success metric.

Governor Chafee thanked Mr. Tomlinson and Mr. Flemming for their presentation and wished everyone a happy holiday.

Vote to Adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:46 p.m., upon motion made by Mr. Adams and seconded by Ms. Brawley.

Thomas Carlotto, Secretary